REMARKS

35 U.S.C. 101 Rejections

The Examiner rejected claims 1-25 as being directed towards non-statutory subject matter. Applicant has amended claims 1-25 to recite a "computer-implemented method." Additionally, claim 1 has been amended to include the limitation of "by one or more computer systems" in the body of the claim. These amendments are understood to overcome the 35 U.S.C. 101 Rejections.

35 U.S.C. 112 Rejections

Applicant has amended claims 1-41 to address the Examiner's 35 U.S.C. 112 Rejections. These amendments are understood to overcome the Examiner's 35 U.S.C. 112 Rejections. Specifically, the comments of the Applicant below are each preceded by related comments of the Examiner (in small, bold type):

> **In the claims a "target allocation" is indefinite in scope as it is not clear what is being received. Is it a number, percent, a firm characteristic? Clarification is requested.**

Applicant has amended claims 1, 25 and 26 to recite "target allocations of percentages." This amendment is understood to overcome the Examiner's rejection.

> **In the claims, "short term" is indefinite in scope as it is a term of degree.**

Applicant has amended claims 2, 25, 27 to recite the limitation of "fixed income." This amendment is understood to overcome the Examiner's rejection.

> **In the claims "target allocations corresponding to different target allocation categories".**

Applicant has amended claims 3 and 28 to recite the limitation of "one or more categories of financial risk." This amendment is understood to overcome the Examiner's rejection.

> **In the claims a "conservative" category is indefinite in scope as it is a term of degree'.**

Applicant has amended claims 4 and 29 to recite the limitation of "verifying that the asset allocation of the generated portfolio closely matches the target allocation." This amendment is understood to overcome the Examiner's rejection.

In the claims "determining a weighting" is indefinite in scope. What is the weighting with respect to?

Applicant has amended claims 8, 9, 31 and 32 to recite the limitation of "determine weightings of risk." This amendment is understood to overcome the Examiner's rejection.

In claim 10 and 11 and 13, it is not clear if and how the claims are further limited.

Applicant has amended claims 10, 11 and 13 to include the limitation of "further." This amendment is understood to overcome the Examiner's rejection.

In claim 12, it is not clear what constitutes investment categorization.

Applicant has amended claim 12 to include the limitation of an "investment objective." This amendment is understood to overcome the Examiner's rejection.

In claim 15, it is not clear what steps are apart of evaluating the constructed portfolio.

Applicant has amended claim 15 to include the limitation of "evaluating the constructed portfolio to verify that the constructed portfolio includes a specified level of fund diversification." This amendment is understood to overcome the Examiner's rejection.

In claim 16, it is not clear what how "corresponds" limits the claims.

Applicant has amended claim 16 to include the limitation of "matches," instead of "corresponds to." This amendment is understood to overcome the Examiner's rejection.

In claim 17, it is not clear how it is determined whether a portfolio is too heavily weighted.

Applicant has amended claim 17 to include the limitation of "determining whether one of the selected investments in the constructed portfolio causes the constructed portfolio to exceed the target allocation of an asset." This amendment is understood to overcome the Examiner's rejection.

In claim 18, it is not clear how it is determined whether a portfolio is insufficiently funded.

Applicant has amended claim 18 to include the limitation of "evaluating the constructed portfolio comprises determining whether the portfolio includes the target allocation for a particular type of asset." This amendment is understood to overcome the Examiner's rejection.

In claim 19, a different portfolio is vague and indefinite. Different in what way.

Applicant has amended claim 19 to include the limitation of "a second portfolio." This amendment is understood to overcome the Examiner's rejection.

Claim 23 is confusing. Clarification is requested.

Applicant has amended claim 23 to include the limitation of "receiving data that allocates part of the portfolio to a company's stock." This amendment is understood to overcome the Examiner's rejection.

Additionally, Applicant has made corresponding amendments to claims 27-41, where applicable.

35 U.S.C. 103 Rejections

The Examiner rejected claims 1-8, 10-24, 26-31 and 33-41 under 35 U.S.C. 103(a) as being rendered obvious by *Gruber et al.* Claim 1 has been amended to further clarify the distinctions between *Gruber* and claim 1. Specifically, claim 1 now recites the limitation of "*generating a portfolio of investment assets that are held for a customer in a customer account by*." This limitation is fully supported by the specification which reads:

> "a system 100 constructs a portfolio from a set of investments options such as mutual funds offered by a company retirement plans." (Applicant's specification, page 5, lines 20-25.)

Additionally, claim 1 has also been amended to include the limitations of "*determining by the one or more computer systems an asset allocation of the generated portfolio*" and "*comparing by the one or more computer systems the asset allocation of the generated portfolio to the target allocation*." This limitation is fully supported by the specification which reads:

> "The system verifies that the asset allocation of the constructed portfolio closes matches the target asset allocation." (Applicant's specification, page 15, lines 7-10.)

Gruber fails to teach or suggest "*generating a portfolio*" and the related features of claim 1. Instead, *Gruber* is directed towards measuring and comparing the performance *between* funds that have already been assembled:

> III. Measurement of Performance
> In order to measure and compare performance, it is necessary to adjust for the risk of the fund. *Gruber*, at p. 137

Gruber teaches that the performance of funds is measured by ranking the funds:

> The first set of results involves ranking funds into 10 deciles each year according to a measure of past performance and then observing how well the deciles perform in subsequent periods. *Gruber*, at p. 139

However, Gruber failed to appreciate applying a measure of risk adjusted excess return to selection of what investment assets to include in a portfolio. Neither the measurement of fund performance nor the ranking of funds "generat[es] a portfolio," because fund performance can only be measured and ranked *after* a fund has already been generated. For at least this reason, *Gruber* fails to render obvious claim 1.

Additionally, *Gruber* fails to teach or suggest "*determining by the one or more computer systems an asset allocation of the generated portfolio*" and "*comparing by the one or more computer systems the asset allocation of the generated portfolio to the target allocation*." Quite simply, because *Gruber* is directed towards the measurement of fund performance, not fund

generation, *Gruber* fails to teach "target allocations," as conceded by the Examiner. (*See* 1/26/2009 Office Action at page 3.) That is, in *Gruber*, there is no need to "*determine[e] by the one or more computer systems an asset allocation of the generated portfolio*" and "*compare[e] by the one or more computer systems the asset allocation of the generated portfolio to the target allocation*," because *Gruber* is only concerned with measuring fund performance *after* the fund has already been assembled. Therefore, *Gruber* also fails to teach or suggest "*determining by the one or more computer systems an asset allocation of the generated portfolio*" and "*comparing by the one or more computer systems the asset allocation of the generated portfolio to the target allocation.*" For at least this reason, *Gruber* fails to render obvious claim 1.

Additionally, the Examiner fails to advance a convincing line of reasoning as to why it would have been obvious to one of ordinary skill in the art to "receiv[e] target allocations of percentages of different types of assets" and "receiv[e] a list of investments available for inclusion in the portfolio." Instead the Examiner makes the conclusory assertion that one or ordinary skill in the art would have been "motivated by the needs to diversify the investor's portfolio."[1] However, the Examiner's cursory "motivation" falls short of providing the "articulated reasoning with some rational underpinning to support the legal conclusion of obviousness" that the Supreme Court mandated in *KSR Intern. Co.*[2] Simply put, the Examiner fails to explain *why* one of ordinary skill in the art would be motivated to perform the limitations that the Examiner concedes *Gruber* fails to teach or suggest. Clearly, such cursory reasoning is incorrect and unsupported by *KSR. Intern. Co.*[3] For at least these additional reasons, *Gruber* fails to render obvious claim 1.

Moreover, the Examiner fails to even address any of the limitations of claims 2-25 and 27-41 in the Office Action and therefore fails to provide any reasoning as to *how Gruber* renders obvious these claims. The basic requirements for establishing a *prima facie* case of obviousness are that "the prior art reference [] must teach or suggest all the claim limitations." (MPEP

[1] 1/26/2009 Office Action at p. 3.
[2] *KSR Intern. Co. Teleflex Inc.*, 127 S.Ct. 1727, 1741 (2007).
[3] *KSR Intern. Co. v.Teleflex, Inc.*, 127 S.Ct. 1727, 1741 (2007) ("Rejections on obviousness cannot be sustained with mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.")

§2143.) Quite simply, the Examiner has failed to demonstrate that *Gruber* teaches or suggests all the claim limitations of claims 2-25 and 27-41. For at least this additional reason, the Examiner fails to provide any "articulated reasoning with some rational underpinning to support the legal conclusion of obviousness" for claims 2-24 and 27-41. Accordingly, the Examiner's rejection of claims 2-24 and 27-41 is improper.

Claims 25 and 26 are patentable for at least the reasons discussed above with regard to claim 1. All of the dependent claims are patentable for at least similar reasons as those for the claims on which they depend are patentable. Canceled claims, if any, have been canceled without prejudice or disclaimer.

Any circumstance in which the applicant has (a) addressed certain comments of the examiner does not mean that the applicant concedes other comments of the examiner, (b) made arguments for the patentability of some claims does not mean that there are not other good reasons for patentability of those claims and other claims, or (c) amended or canceled a claim does not mean that the applicant concedes any of the examiner's positions with respect to that claim or other claims.

Because the Examiner did not reject claims 9, 25 and 32 under 35 U.S.C. 103(a), Applicant respectfully requests that the Examiner indicate allowable subject matter for these claims in view of the Applicant's amendments to overcome the 35 U.S.C. 101 and 35 U.S.C. 112 rejections.

The Petition for Extension of Time fee of $1110 is being paid concurrently on the electronic filing system by way of deposit account authorization. Please apply any other charges or credits to deposit account 06-1050, referencing attorney docket no. 08575-0046001.

Respectfully submitted,

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